

Message Text

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16

ACTION TRSE-00

INFO OCT-01 EA-11 ISO-00 EB-11 IO-14 AID-20 L-03 SS-20

NSC-07 AF-10 EUR-25 ARA-16 STR-08 INR-11 RSC-01 DRC-01

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R 240818Z JUL 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 5462

C O N F I D E N T I A L MANILA 8810

USADB

FOR TREASURY SECRETARY SIMON

E.O. 11652: GDS, DECLASS-12 YRS

TAGS: EAID, EFIN

SUBJ: DEVELOPMENT COUNCIL: SIMON LETTER

REF: A) STATE 155405 (B) STATE 155472

HEREWITH FOLLOWS RESPONSE BY ADB PRESIDENT INOUE TO
TEXT OF SIMON LETTER TO C-20 MINISTERS PER REFTELS:

QUOTE

DEAR MR. SECRETARY:

YOUR REPRESENTATIVE ON THE BOARD OF DIRECTORS OF
THIS BANK HAS FORWARDED TO ME COPY OF YOUR LETTER OF
17TH JULY TO C-20 MINISTERS PROPOSING CERTAIN LINES ON
WHICH TO IMPLEMENT THE C-20 DECISION IN JUNE TO RECOMMEND
THE CREATION OF A MINISTERIAL-LEVEL COMMITTEE TO TAKE A
COMPREHENSIVE VIEW OF THE DIVERSE INTERNATIONAL ACTIVITIES
NOW, OR PROSPECTIVELY, UNDER WAY IN THE DEVELOPMENT AREA.

I PERSONALLY WELCOME THE INITIATIVE TAKEN BY YOU

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AND WOULD EXPRESS THE HOPE THAT YOU WILL GET AFFIRMATIVE

RESPONSES FROM THE MINISTERS WHOM YOU HAVE ADDRESSED. THE PROBLEMS FACED BY THE LDCS ARE GROWING RATHER THAN LESSENING: THE SAME CANNOT ALWAYS BE SAID TO BE THE CASE IN RESPECT OF THE RESOURCES AVAILABLE TO THEM, INTERNALLY AS WELL AS EXTERNALLY, TO MEET THE PROBLEMS. IN USING THE WORD "RESOURCES" I DO NOT NECESSARILY CONFINE MYSELF TO FINANCIAL RESOURCE THOUGH THESE ARE, MANIFESTLY, ONE OF THE MOST ESSENTIAL ASPECTS OF THE MATTER.

THE RECOMMENDATION LAST JUNE OF THE C-20 MINISTERS AND THE PROPOSALS NOW MADE BY YOU ARE THEREFORE LAUDABLE. I AM, IN PARTICULAR, IN AGREEMENT THAT ACTION SHOULD SOON BE TAKEN TO CONSTITUTE THE NEW MINISTERIAL GROUP WITH AN EFFECTIVE AND OBJECTIVE SECRETARIAT AND WITH A BROAD MANDATE TO COVER ALL RELEVANT ASPECTS OF SOCIO-ECONOMIC DEVELOPMENT. I AM ALSO IN AGREEMENT THAT THE NEW COMMITTEE SHOULD NOT BE REFERRED TO AS A JOINT COMMITTEE OF THE IMF AND THE IBRD BOTH IN VIEW OF THE WIDE MANDATE PROPOSED AND IN VIEW OF FACT THAT THE FUND AND THE BANK ARE

NOT THE ONLY INSTITUTIONS INVOLVED.

I AM SURE THE REGIONAL DEVELOPMENT BANKS WOULD BE MOST COOPERATIVE IN REGARD TO, AND WITH, THE PROPOSED NEW COMMITTEE AND ITS PROPOSED SECRETARIAT. WHILE I WOULD WISH TO CONSULT MY BOARD OF DIRECTORS AT THE APPROPRIATE TIME, I MAY EVEN NOW SAY THAT I AM SURE THAT THIS BANK, ON ITS PART, WOULD DESIRE TO BE FULLY INVOLVED IN THIS REGARD. AS A START TOWARDS THIS INVOLVMENT, I WOULD PROPOSE THE FOLLOWING.

I WOULD FIRSTLY SUGGEST THAT EACH OF THE INSTITUTIONS TO WHOM YOU HAVE SENT COPIES OF YOUR LETTER (INCLUDING THE TWO INTERNATIONAL FINANCE INSTITUTIONS AND THE THREE REGIONAL BANKS) BE ACCORDED OBSERVER STATUS, AT THE MEETINGS OF THE PROPOSED NEW COMMITTEE AND THAT THEY BE INVITED IN THAT CAPACITY TO THE PREPARATORY MEETING OF DEPUTIES AND THE FORMAL MINISTERS' MEETING WHICH YOU HAVE SUGGESTED SHOULD TAKE PLACE IN WASHINGTON, D.C. ON 29 SEPTEMBER AND 2 OCTOBER, 1974 REPSECTIVELY.

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I WOULD PROPOSE, SECONDLY, THAT THESE INSTITUTIONS BE GRANTED BY THE COMMITTEE AND ITS SECRETARIAT THE PRIVILEGE OF SUBMITTING PAPERS LAYING OUT THEIR POINTS OF VIEW ON VARIOUS MATTERS THAT MAY COME BEFORE THE COMMITTEE AND THE SECRETARIAT FROM TIME TO TIME. I WOULD HASTEN TO ADD THAT THESE PAPERS WOULD BE ONLY FOR DUE CONSIDERATION, IT BEING CLEAR THAT DECIDING AUTHORITIES OF THE ORGANIZATION

PROPOSED WOULD BE THE MINISTERS.

THIRDLY, IN REGARD TO THE SECRETARIAT ITSELF, I BELIEVE THAT AN INHERENT TENDENCY FOR THE PROPOSED EXECUTIVE SECRETARY MIGHT BE TO CALL ON THE OLDER INTERNATIONAL (AND BILATERAL) INSTITUTIONS FOR STAFF. I WOULD MOST EARNESTLY URGE THAT, CONSIDERING THE EXPERIENCE GAINED BY THE REGIONAL DEVELOPMENT BANKS, THE EXECUTIVE SECRETARY SHOULD ENLARGE THE FIELD OF CHOICE BY INCLUDING THE REGIONAL DEVELOPMENT BANKS THEREIN. I, ON MY PART, BELIEVE THAT THIS BANK HAS SOME EXCELLENT STAFF WHICH, IN VIEW OF THE IMPORTANCE OF THE COMMITTEE UNDER DISCUSSION, IT SHOULD BE PREPARED TO MAKE AVAILABLE TO THE EXECUTIVE SECRETARY. FOR THE TIME THEY SERVE IN THAT CAPACITY, THE STAFF SO RELEASED WOULD THEN GIVE THEIR UNDIVIDED ALLEGIANCE TO THE EXECUTIVE SECRETARY THOUGH THEY MIGHT BE TECHNICALLY ON SECONDMENT FROM THE BANK.

IT MAY BE THAT MY FIRST SUGGESTION, PARTICULARLY THAT PART RELATING TO THE PRESENCE OF THE INSTITUTIONS AS OBSERVERS AT THE MEETING ON 29 SEPTEMBER AND 2 OCTOBER, 1974, MAY NEED CLEARANCE IN ADVANCE WITH THE MINISTERS. THIS MAY PERHAPS BE DONE DURING THE COURSE OF THE "INFORMAL BILATERAL DISCUSSIONS" WHICH YOU HAVE REFERRED TO IN YOUR PARAGRAPH RELATING TO THE PROPOSED EXECUTIVE SECRETARY AND HIS STAFF.

I SHALL BE IN WASHINGTON AT THE TIME OF THE IMF/IBRD ANNUAL MEETING IN SEPTEMBER AND LOOK FORWARD TO SEEING YOU. IN THE MEANTIME I WILL LOOK FORWARD TO ANY COMMENTS ON MY SUGGESTION.

SINCERELY YOURS,

SHIRO INOUE

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PRESIDENT

END QUOTE

ORIGINAL OF LETTER BEING POUCHED.

SULLIVAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, LESS DEVELOPED COUNTRIES, INSTRUCTIONS, DIPLOMATIC COMMUNICATIONS, ORGANIZATION & MANAGEMENT, COMMITTEES, INTERGOVERNMENTAL CO OPERATION, MINISTERIAL MEETINGS, FINANCIAL PROGRAMS, INTERNATIONAL ORGANIZATION S, REGIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: kelleyw0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MANILA08810
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740201-0697
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740722/aaaaasoi.tel
Line Count: 159
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A) STATE 155405 (B) STATE 155472
Review Action: RELEASED, APPROVED
Review Authority: kelleyw0
Review Comment: n/a
Review Content Flags:
Review Date: 08 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08-Aug-2002 by rowelle0>; APPROVED <24 FEB 2003 by kelleyw0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DEVELOPMENT COUNCIL: SIMON LETTER
TAGS: EAID, EFIN, US, RP, ADB-1, (SIMON, WILLIAM E), (INOUE)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005